Illinois Department of Revenue

RUT-25-LSE-X Instructions for Amended Use Tax Return for Lease Transactions

General Information

Who must file Form RUT-25-LSE-X?

You must file Form RUT-25-LSE-X to correct a Form RUT-25-LSE, Use Tax Return for Lease Transactions, that was filed to report the use tax due on a motor vehicle (including all-terrain vehicle (ATV)), trailer, manufactured (mobile) home, watercraft, aircraft, or snowmobile that was purchased by a lessor to lease to others from an unregistered, out-of-State retailer and that is required to be titled or registered in Illinois, including such motor vehicles used in Illinois but that are registered under the International Registration Plan (IRP) with a base jurisdiction other than Illinois. Form RUT-25-LSE-X may also be filed by a lessee (*e.g.,* lease customer) who leased a vehicle through an out-of-State retailer (*e.g.,* a leasing company, vehicle dealer, etc.) that is not registered with IDOR and who filed an original Form RUT-25-LSE reporting the leasing company's tax. File this return to:

- correct your Form RUT-25-LSE to pay more tax;
- request a credit for overpaid tax (Do *not* file Form RUT-25-LSE-X for amounts less than $1. Do not use the credit until we notify you that your credit has been approved.);
- respond to a bill or notice; or
- make corrections to line items but not change the amount of tax due.

Note: If a credit is issued for overpaid tax, the credit will be issued to the leasing company, unless otherwise directed by the leasing company.

What is the deadline for filing this form?

The period for which you can claim a credit for an overpayment depends on when you file your Form RUT-25-LSE-X. If you file this amended return between January 1 and June 30 of this year, you may file a claim for credit for the amounts you overpaid during the current year and previous 36 months. Beginning July 1, you may file a claim for the amounts you overpaid during the current year and the previous 30 months.

Note: For any period included in a claim for credit or refund for which the statute of limitations for issuing a notice of tax liability under the Retailers' Occupation Tax Act will expire less than six months after the date a taxpayer files the claim for credit or refund, the statute of limitations for issuing a notice of tax liability is automatically extended for six months from the date it would have otherwise expired.

Note: There is no deadline for making additional payments; however, the longer you wait to pay, the more interest and, when applicable, penalty you will owe. For more information about penalties and interest, see Publication 103, Penalties and Interest for Illinois Taxes, available on our website at **tax.illinois.gov**.

What if I need help?

If you need help, call our Taxpayer Assistance Division weekdays between 8:00 a.m. and 5:00 p.m. at **800-732-8866**, **217-782-3336**, or **800-544-5304** (TTY). You may also visit our website at **tax.illinois.gov** or scan the QR code provided. Language assistance services are available upon request and are free of charge.

To what address do I mail my completed return?

Mail your completed return to:

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19034
SPRINGFIELD IL 62794-9034

Specific Instructions

Step 1: Identify the return you are amending and yourself

Line 1: Enter the tax return number that is preprinted at the top of your original Form RUT-25-LSE.

Line 2: Indicate whether the person filing this Form RUT-25-LSE-X is the leasing company or the lessee.

Step 2: Identify the leasing company

Enter the Federal Employer Identification Number (FEIN), name, address, and (if applicable) mailing address of the leasing company. Also, enter a daytime telephone number for the leasing company.

Step 3: Identify the lessee

Lines 1 through 2: Enter the name and address exactly as it appears on the Illinois registration. The address must be the actual registered address of the party using the leased item in Illinois. Do not use a post office box number. If the motor vehicle is registered under the IRP with a base jurisdiction other than Illinois, but the vehicle is used in Illinois and therefore you need to report use tax on it, enter the actual physical address where the vehicle will be garaged in Illinois.

Line 3: Enter the lessee's daytime telephone number.

Line 4: Check the appropriate box to indicate whether the address on Line 2 is in an unincorporated or rural area of the county.

Line 5: Enter the name of the municipality (*i.e.*, city, village, or town) where the lessee has registered the item if the actual municipality is different from what is entered on Line 2. If the motor vehicle is registered under the IRP with a base jurisdiction other than Illinois, but the vehicle is used in Illinois and therefore you need to report use tax on it, enter "State of Illinois."

Line 6: You must provide the name of the Illinois county where the lessee has registered the item. If the motor vehicle is registered under the IRP with a base jurisdiction other than Illinois, enter the county corresponding to the address in Step 3, Line 2.

Line 7: If you entered St. Clair or Madison County on Line 6, you must provide the name of the lessee's township.

Step 4: Indicate the reason why you are filing an amended return

Mark the reason that best describes why you are filing an amended return for Form RUT-25-LSE.

Line 1: Enter the correct date that the item was purchased for lease.

Line 2: Enter the correct date that the item was brought into Illinois.

Line 3: Enter the correct figures in Step 5.

Line 4: You must attach a letter from the dealer confirming that the deal was canceled.

Line 5: Enter the correct information for the leased item.

Line 6a: Enter the governmental body's active Illinois Sales Tax exemption "E" number on the line provided.

Note: The purchaser must be the organization itself rather than a member or officer of the organization. The item must be titled or registered in the organization's name and paid for with the organization's funds. The organization's exemption number must have been in effect on the day you made the sale.

Line 6b: Mark this reason if the item purchased is leased either for use primarily as an implement of production agriculture or if the item purchased is a ready-mix concrete truck that is leased for use primarily in manufacturing tangible personal property for sale at retail.

Line 6c: Enter the certificate of authority number on the line provided. Keep a properly completed Form RUT-7, Rolling Stock Certification, in your records for documentation.

Line 7: Indicate the correct tax basis. **Attach a copy of the lease contract.**

Rules of eligibility:

Leased first division motor vehicles and qualifying second division motor vehicles: Illinois law requires taxpayers to calculate the tax due using the lease signing amount and total lease payments, with no deduction for trade-ins, when registering leased first division motor vehicles and certain qualifying leased second division motor vehicles that are sold for the purpose of being simultaneously leased under a fixed-term lease contract for a period of more than one year. The qualifying leased second division motor vehicles are those with a gross vehicle weight rating of 8,000 pounds or less, those of a van configuration and designed to transport not less than seven or more than 16 passengers, and those which are self-contained and designed or permanently converted to provide living quarters for recreational, camping, or travel use and have direct walk-through access to the living quarters from the driver's seat.

Specific Instructions Continued

Note: If a qualifying vehicle is leased for a defined period (*e.g.*, 24, 36, or 48 months) but the contract contains a provision regarding the "Return of the Vehicle" or a similar provision that allows for the lease to continue for a short period (*i.e.*, 1 to 6 months) but only after the lessee (customer) fails to meet the original terms of the lease or only with further agreement by the leasing company, then this provision does not disqualify the lease from being eligible for the alternative definition of "selling price."

For all other leases: You must use the actual selling price. This includes leases of non-qualifying items and leases of qualifying items under a lease contract that is not a defined period, including contracts with a defined initial period with the option to continue the lease on a month-to-month or other basis beyond the defined initial period.

Line 8: Mark only if 1 through 7 do not apply. Enter an explanation on the lines provided. Attach additional sheets if necessary.

Step 5: Correct your financial information

Drop amounts of less than 50 cents, and increase amounts of 50 cents or more to the next higher dollar. For Line 6, enter the appropriate tax rate for your area on the line provided.

If you calculated penalty and interest on the original Form RUT-25-LSE that you filed or if you were assessed penalty and interest on the original Form RUT-25-LSE that you filed, we will take those figures into account when we compute your amended return. Do *not* include penalty and interest in the figures you enter on any of the lines in Step 5.

Column A

Lines 1 through 8: Enter the figures from your most recent return. These figures may be from your original Form RUT-25-LSE or a previously filed Form RUT-25-LSE-X.

Column B

Lines 1 through 8: Enter the corrected figures. If there is no change on a particular line from Column A, enter the figures from Column A for that line. If you have an amount that you are reducing to zero, enter "0" in Column B. Leaving a line in Column B blank may delay the processing of your return.

Lines 9 through 11: Follow the instructions on the form.

Detailed instructions for certain lines in Step 5

Line 1: If eligible, enter the amount of the lease contract, including the amount due at signing of the lease, plus the total amount of all lease payments. Include any charges factored into the lease contract, including, but not limited to extended warranty, registration fees, title fees, negative equity, rebates, cash down payments, and the first month's lease.

Note: The purchase price on which tax is calculated cannot be reduced by the amount of any trade-in. Therefore, if the amount of your lease contract has been reduced because of a trade-in, to figure out the amount to enter on Step 5, line 1, you must add the amount of any trade in to the amount of the lease contract.

If not eligible, enter the actual selling price, including accessories, federal excise taxes, freight and labor, dealer preparation, documentary fees, and any rebates or incentives for which a dealer is reimbursed from any source. **Attach a copy of the bill of sale or the lease contract, as appropriate,** as proof of the selling price and of **any tax previously paid**. Tax paid must be clearly and separately stated. If you cannot obtain the proper documentation, you may submit a letter from the leasing company or selling dealer.

Note: If you purchased a new truck for lease that weighs 33,000 pounds or more or a new trailer or semitrailer chassis weighing 26,000 pounds or more, you may exclude the federal excise tax from the selling price.

Line 2: Trade-in credit is not allowed if you qualified to use on Line 1 the amount due at signing, plus total lease payments. Any amount claimed as trade-in credit must be shown on the dealer's bill of sale or proof of purchase. Do *not* deduct rebates.

Line 4: Depreciation is allowed for items that are purchased and used outside of Illinois by military personnel whose home of record is Illinois and for items that are used by out-of-State businesses relocating into Illinois. The depreciation rate is 1.67 percent (.0167) for each month of out-of-State use. Calculate the applicable percent per whole month from the date of purchase (e.g., 8/28/23 to 9/28/23 = whole month). A fraction of a month will be disregarded. Multiply the number of whole months by the applicable percent, and then multiply Line 3 by the result. Enter the amount of depreciation on Line 4. For items other than motor vehicles (e.g., trailers, manufactured (mobile) homes, watercraft, aircraft, snowmobiles), use the straight line method of depreciation.

Specific Instructions Continued

Line 6: Multiply Line 5 by the tax rate. The tax rate is determined by the address entered in Step 2, Line 3. Use 6.25 percent (.0625) unless otherwise instructed.

Cook County:

- For transactions prior to August 1, 2026, use 7.25 percent (.0725). Beginning August 1, 2026, use 7.5 percent (.0750).

DuPage, Kane, Lake, McHenry, and Will counties:

- For transactions prior to August 1, 2026, use 7.0 percent (.07). Beginning August 1, 2026, use 7.25 percent (.0725).
- For Madison and St. Clair counties, use 6.5 percent (.065), except outside the Metro East Transit District, for which use 6.25 percent (.0625).
- For an IRP-registered motor vehicle with a base jurisdiction other than Illinois that is used in Illinois, use 6.25 percent (.0625).

Line 7: You may claim the amount of tax previously paid on this item either directly to another state or through a retailer. Enter the name of the state or retailer on the line provided. We will allow credit only if the tax previously paid was properly due and is separately stated on the proof of tax payment. You must attach proof of the tax that you previously paid.

Line 9: Enter the total amount you have paid. This figure includes the amount you paid with your original Form RUT-25-LSE or with any previously filed Form RUT-25-LSE-X and any assessment payments you have made. Reduce the total amount paid by any credit or refund of tax you have received for this transaction.

Line 10: If Line 9 **is greater than** Line 8, Column B, enter the difference on Line 10. This is the amount you have overpaid.

Note: If you are a lessee attempting to file a claim for overpayment of tax, you must attach written authorization from the leasing company allowing IDOR to issue the refund directly to you. Failure to attach this authorization will result in delays processing your Form RUT-25-LSE-X.

Line 11: If Line 9 **is less than** Line 8, Column B, enter the difference on Line 11. This is the amount you have underpaid. Pay this amount when you file this return. We will bill you for any additional tax, penalty, and interest that we calculate is due.

Enter the amount you are paying on the line provided in the “Read this information first” section on the front of the return.

Step 6: Sign here

We cannot process this form until it is signed by the owner, officer, or other person authorized to sign the original return.

Penalties and interest information

If, on this amended return, you are increasing the amount of tax due, we will bill you for any additional penalty and interest that we calculate is due.

If, on this amended return, you are reducing the amount of tax due or changing the due date, we will recalculate any penalty and interest that is due and include the recomputed amounts in determining the amount you have overpaid.

You owe a **late filing penalty** if you do not file a processable return by the due date, a **late payment penalty** if you do not pay the amount you owe by the original due date of the return, a **bad check penalty** if your remittance is not honored by your financial institution, and a **cost of collection fee** if you do not pay the amount you owe within 30 days of the date printed on a bill that we send you. We will bill you for any amounts owed. For more information, see Publication 103, Penalties and Interest for Illinois Taxes, available on our website at **tax.illinois.gov**.